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Chapter 9 Counsel for Tulare Local Healthcare District

**IN THE UNITED STATES BANKRUPTCY COURT**  
**EASTERN DISTRICT OF CALIFORNIA**  
**FRESNO DIVISION**

In re

**TULARE LOCAL HEALTHCARE  
DISTRICT, dba TULARE  
REGIONAL MEDICAL CENTER,**

Debtor.

Tax ID #: 94-6002897  
Address: 869 N. Cherry Street  
Tulare, CA 93274

CASE NO. 17-13797

DC No.: WW-69

Chapter 9

Date: January 17, 2019  
Time: 9:30 a.m.  
Place: 2500 Tulare Street  
Fresno, CA 93721  
Courtroom 13  
Judge: Honorable René Lastreto II

**MOTION FOR ORDER AUTHORIZING REJECTION OF EXECUTORY CONTRACT  
(CERNER CORPORATION AND CERNER HEALTH SERVICES, INC.)**

TO THE HONORABLE RENÉ LASTRETO II, UNITED STATES BANKRUPTCY  
JUDGE:

Debtor, Tulare Local Healthcare District, doing business as Tulare Regional  
Medical Center ("Debtor" or the "District") hereby moves the Court, pursuant to 11  
U.S.C. §§ 365 and 901, and F.R.B.P. 6006 and 9014, for entry of an order authorizing  
the District to reject certain contracts, amendments, schedules and arrangement letters,  
as defined more fully below, between the District and Cerner Corporation ("Cerner

1 Corp”) and its subsidiary, Cerner Health Services, Inc. (“Cerner H.S.” and collectively  
2 with Cerner Corp., “Cerner”).

3 1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157  
4 and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.  
5 The matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory  
6 predicates for the relief sought by this Motion are set forth above.

7 2. This Motion is based on the Motion, the Notice, Memorandum of Points and  
8 Authorities, the Declaration of Sanford Haskins in Support of the Motion, the files,  
9 pleadings and orders on file in this Chapter 9 case, and such other and further evidence  
10 as properly put before the Court.

11 3. This case was filed as a Chapter 9 case on September 30, 2017.

12 4. The Debtor is a California healthcare district located in Western Tulare  
13 County.

14 5. The Debtor is in the business of owning a hospital and other healthcare  
15 facilities.

16 6. On or about September 30, 2009, the Debtor entered into an IT and Managed  
17 Services Agreement with Siemens Medical Solutions USA, Inc. (“Siemens”). In  
18 connection with Cerner Corp.’s acquisition of the Health Services business of Siemens  
19 effective February 2, 2015, Siemens assigned the IT and Managed Services Agreement  
20 to Cerner H.S. Since 2009, the District has entered into various additional contracts,  
21 amendments, schedules and arrangement letters with Siemens and later Cerner,  
22 including but not limited to the Cerner System Schedule No. 1 dated June 30, 2015,  
23 Amendment and Release No. 1-4K80H8B dated June 30, 2015, Cerner Reference  
24 Agreement dated March 13, 2015, Cerner Sales Order dated December 31, 2015,  
25 Cerner System Schedule No. 2 dated February 24, 2016, Amendment No. 1-52OARIS,  
26 and Cerner Sales Order dated November 2, 2016 (collectively with the IT and Managed  
27 Services Agreement referred to as the “Agreement”).

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1           7. The District has analyzed the Agreement and has determined in its sound  
2 business judgment, and as declared by Sanford Haskins, Chief Administrative Officer,  
3 that the Agreement should be rejected.

4           **WHEREFORE**, the Debtor respectfully requests that the Court enter an order:  
5 (1) authorizing the rejection of the Agreement; (2) fixing the date by which any claim(s)  
6 based on this Motion must be filed; and (3) granting the Debtor such other relief as the  
7 Court may deem just and proper.

8 Dated: December 27, 2018

WALTER WILHELM LAW GROUP,  
a Professional Corporation

By: 

Danielle J. Bethel  
Attorneys for Debtor Tulare Local Healthcare  
District, dba Tulare Regional Medical Center